

## Message Text

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PAGE 01 OTTAWA 00581 182315Z

63

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AEC-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-05

SP-02 SS-15 STR-04 TRSE-00 FRB-01 NSCE-00 INRE-00

SSO-00 PA-02 PRS-01 USIE-00 /093 W

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O 182255Z FEB 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 5681

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EO 11652 NA

TAGS ENRG CA US

SUBJ ENERGY: NATURAL GAS EXPORTS

FOLLOWING IS UNEDITED TRANSCRIPT FROM HOUSE OF COMMONS QUESTION  
PERIOD FEBRUARY 18 DEALING WITH NATURAL GAS EXPORTS AND PRESS  
REPORTS OF POSSIBLE U.S. RETALIATION.

BEGIN QUOTE: MR. DON GILLIES (DON VALLEY): MR. SPEAKER,  
MY QUESTION IS FOR THE MINISTER OF ENERGY, MINES AND  
RESOURCES. NO ONE IN THIS HOUSE WOULD DISPUTE THE  
RIGHT AND PROPRIETY OF THE GOVERNMENT AND THE  
NATIONAL ENERGY BOARD TO REGULATE EXPORT OF NATURAL  
RESOURCES, PARTICULARLY GAS TO THE UNITED STATES.  
IN VIEW OF REPORTS THAT HAVE BEEN CIRCULATING  
RECENTLY, MORE PARTICULARLY IN THE PRESS TODAY, THAT  
THE AMERICAN GOVERNMENT MIGHT MAKE SERIOUS RETALIATIONS  
IF ANY MAJOR CHANGES ARE MADE ON LONG-TERM CONTRACTS  
FOR THE EXPORT OF NATURAL GAS, HAVE ANY SPECIAL  
REPRESENTATIONS, EITHER OF A FORMAL OR INFORMAL  
NATURE, BEEN MADE TO THE CANADIAN GOVERNMENT STATING  
THAT IN FACT THE UNITED STATES GOVERNMENT WILL TAKE  
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PAGE 02 OTTAWA 00581 182315Z

SUCH RETALIATORY ACTION?

"MR. MACDONALD (ROSEDALE): WITH REGARD TO THE REPORT TODAY THAT THERE HAVE BEEN ALLEGATIONS OF STATEMENTS BY STATE DEPARTMENT SPOKESMEN OF RETALIATION AGAINST CANADA IF THERE IS A REDUCTION IN GAS EXPORTS, I WILL PREFACE MY REMARKS BY REMAINING THE HOUSE THAT THE NATIONAL ENERGY BOARD IS ENGAGING IN A HEARING ON PRECISELY THIS QUESTION. IN ANY RESPONSE I MAKE, I WANT TO AVOID IN ANY WAY PREJUDICING THAT HEARING.

"HAVING SAID THIS, I CAN ASSURE THE HON. MEMBER THAT IN MY MEETINGS WITH SENIOR MEMBERS OF ADMINISTRATION AND OF CONGRESS I RECEIVED NO SUCH REPRESENTATIONS. THERE HAS BEEN CONCERN ABOUT GAS SUPPLIES BUT NO SUGGESTION OF RETALIATION AND NO OFFICIAL REPRESENTATIONS TO THE GOVERNMENT OF CANADA IN THIS REGARD. I THINK I CAN SAY TO THE HOUSE THAT ON THE BASIS OF OUR GOOD FRIENDSHIP WITH THE UNITED STATES OVER THE YEARS WE SHALL DO OUR BEST TO ASSIST THEM IN ANY SUCH PROBLEM BUT PERHAPS THIS WILLINGNESS TO BE OF ASSISTANCE MIGHT BE DIMINISHED RATHER THAN INCREASED BY ANY SUGGESTION OF RETALIATION.

"MR. GILLIES: IS IT THE POSITION TAKEN BY THE GOVERNMENT THAT THE LONG TERM CONTRACTS WHICH HAVE BEEN SIGNED WITH RESPECT TO NATURAL GAS COULD BE THE SUBJECT OF RENEGOTIATION?

"MR. MACDONALD (ROSEDALE): I SHOULD PROBABLY NOT GIVE A LEGAL OPINION, BUT THE TERMS UNDER WHICH THE GAS IS EXPORTED FROM CANADA THROUGH THE NATIONAL ENERGY BOARD ARE THAT THE GAS SHOULD BE SURPLUS TO THE REASONABLE REQUIREMENTS OF THE CANADIAN MARKET AND THE CONTRACT DOES PROVIDE FOR THE RENEGOTIATION OF ANY SUCH PERMIT. THIS WOULD HAVE THE EFFECT OF RENOUNCING THE CONTRACT BY FORCE MAJEURE

"MR. GILLIES: IN THE COURSE OF THE MEETINGS  
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PAGE 03 OTTAWA 00581 182315Z

WHICH ARE GOING ON AT THE PRESENT TIME, HAS THE QUESTION OF LONG TERM CONTRACTS FOR NATURAL GAS BEEN AN IMPORTANT FACTOR?

"MR. MACDONALD (ROSEDALE): UNITED STATES OFFICIALS HAVE BEEN AWARE OF THE EXTENSIVE BOARD HEARINGS WHICH HAVE BEEN GOING ON AND HAVE EXPRESSED IN GENERAL TERMS CONCERN ABOUT THE SUPPLY OF GAS

TO THE U.S. MARKET BUT OF COURSE THEY RECOGNIZE  
THAT THE QUESTION REMAINS HYPOTHETICAL UNTIL THE  
BOARD HAS MADE ITS DETERMINATION AND THE GOVERNMENT  
IN TURN HAS MADE ITS DECISION. END QUOTE.  
PORTER

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## Message Attributes

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